

Exhibit 1: The February 20, 2007, “settlement offer” letter from Michael Stefani

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February 20, 2007

Via E-Mail, Facsimile and First Class Mail

Morley Witus, Esq.
Barris, Sott, Denn & Driker, PLC
211 W. Fort Street, 15th Floor
Detroit, MI 48226

Re: Brown, et al. v. City of Detroit, et al.
WCCC Case No. 03-317557-NZ
COA Docket Nos. 259911, 259923

Dear Mr. Witus:

During your telephone call to me last week, you asked me to make a demand on behalf of my client because you were meeting with your clients on February 22, 2007 to discuss the status of this matter and you wanted to provide them with an update on any settlement discussions. This letter is in response to your request for a demand and is being made with the understanding that you, your clients, and their other counsel will keep this demand confidential and agree not to reveal it to the trial judge or any mediator or facilitator.

As I indicated to you during our telephone conversation, there has been absolutely no discussion of settlement in this case to date with the exception that we indicated to either Mrs. Colbert-Osamuede or Ms. Ruth Carter that Plaintiffs were not willing to settle for the amount of case evaluation, which for Nelthrope was \$1.1 million and was \$1.25 million for Brown.

I indicated to you that I had told Mrs. Colbert-Osamuede that the Plaintiffs would be willing to cooperate in a creative structuring of a settlement perhaps in the form of increased retirement benefits or separating the attorney fees and costs. What I had in mind was simply making a lump sum payment to each client and then increasing their retirement benefits and arranging for the payment of their attorney fees and expenses directly to Stefani & Stefani. I have no idea whether such an arrangement could be structured but I offer it as a possibility from our standpoint.

Brown and Nelthrope each presently have economic damage calculations prepared by Bruce Knapp, C.P.A., C.V.A. of Doeren Mayhew Litigation Support and Forensic Services, LLC, and emotional damage expert evidence prepared by Dexter Fields, M.D., P.C. and Rosalind E. Griffin, M.D.

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Morley Witus, Esq.
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Brown planned on working until age sixty-five and based on those plans, his economic damages are approximately \$2.4 million. His non-economic damages exceed \$1 million. Therefore, it is likely Brown will obtain a judgment in the range of \$3.5 million, which combined with interest of \$500,000.00 (this case was started in May 2003) plus attorney fees under the WPA of \$500,000.00 will result in a total recovery of \$4.5 million.

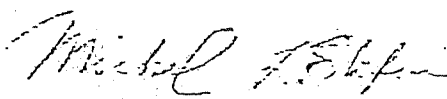
Nelthrope's economic losses are significantly less than Brown's but his non-economic damages are significantly greater than Brown's. Therefore, it is highly probable that Nelthrope will obtain a jury verdict in the range of \$2.5 million, which combined with interest of \$400,000.00 and attorney fees of \$500,000.00 will result in a total recovery of \$3.4 million.

Now, of course, it is possible a jury could return a verdict of no cause for both Brown and Nelthrope. And, it is possible a jury could award each of them substantially less than the above figures. Based on the opinions of our experts and my assessment of the case to date, we feel confident of a minimum total recovery including interest, attorney fees and costs of \$4.5 million. Based on that, we would settle both cases on the terms outlined below for a total payment to Nelthrope of \$2.1 million and a total payment to Brown of \$2.2 million. The amounts above include interest, attorney fees and costs but are conditioned upon both Brown and Nelthrope continuing to receive the retirement or disability benefits they are currently receiving or scheduled to receive in the future. To the extent desired by Defendants, the Plaintiffs will agree to confidentiality provisions. The payment to Brown would be designated as 1/2 for lost wages and fringe benefits and 1/2 for emotional damages. The payment to Nelthrope would be designated 1/3 for lost wages and fringe benefits and 2/3 for emotional damages.

This demand will automatically expire thirty (30) days from the date of this letter or upon Plaintiffs' counsel receiving notice from the Michigan Supreme Court of a date for oral argument if such notice is received prior to March 22, 2007.

If you have any questions about this letter, please feel free to contact me by telephone.

Very truly yours,


Michael L. Stefani

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